

March 21, 2024

CONFIDENTIALThe Board of Directors
Town of Union Local Development Corporation

Dear Board Members:

We have audited the financial statements of the Town of Union Local Development Corporation (the Corporation) for the year ended December 31, 2023, and have issued our report thereon dated March 21, 2024. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose. We now present for your consideration our comment and recommendation based upon observations made during our audit.

This report is intended solely for the information and use of the Board, management and others within the Corporation.

Collateral Agreement

The Corporation has a collateral agreement to insure deposits over the Federal Deposit Insurance Corporation (FDIC) limit. At December 31, 2023, the collateral statement reported total deposits needing to be insured of \$1,953,688. This amount is \$500,000 less than the amount reported on the statement of financial position, indicating that the bank is assuming \$500,000 of FDIC insurance. As a nonprofit, the Corporation is only entitled to \$250,000 of FDIC insurance, and, as a result, the Corporation has uninsured deposits at year-end. We recommend that the Corporation contact their bank to revise the collateral amounts going forward to avoid credit risk arising from uninsured deposits.

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We wish to take this opportunity to express our appreciation for the courtesy and cooperation extended to us by the Corporation's personnel during our audit. If you have any questions regarding the foregoing comment or wish any assistance in its implementation, please contact us at your convenience.

Very truly yours,

EFPR Group, CPAs, PLLC

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